



ASX Limited  
Market Announcements Office

## **Phosphagenics Sells BioElixia® Beauty Brand to Pure Beauty Australia**

- ***Documentation for BioElixia® sale to Pure Beauty Australia finalised***
- ***Business transition commenced***

10 August 2017, Melbourne: Australian drug delivery company, Phosphagenics Limited (ASX: POH; OTCQX: PPGNY), has agreed the sale of the global BioElixia® brand to Pure Beauty Australia Pty Ltd. The agreement allows Pure Beauty to market the existing BioElixia® range as well as to expand the range with new products containing Phosphagenics' proprietary TPM® technology. The terms provide Phosphagenics with an upfront payment of \$200,000, on-going royalties of 5% based on Net Sales of product incorporating TPM®, and income from Pure Beauty Australia's purchases of TPM® as part of an associated 10 year supply agreement.

Pure Beauty Australia Pty Ltd is a dynamic Melbourne based company which already owns a portfolio of Australian Skincare brands. Pure Beauty Australia is owned by the Melbourne based private investment group, CEM Group of Companies, which has a focus of investing in and growing innovative businesses.

Neale Joseph, Chief Executive Officer of CEM Group of Companies, said, "We are very excited to be able to add BioElixia® into Pure Beauty Australia's growing portfolio of brands. Based on more than 14 years of science and R&D, and with an already strong customer following, BioElixia® has the potential for significant market differentiation and a strong market share. Although a new player in the cosmetic scene, Pure Beauty Australia has both the financial resources and proven management experience to re-establish BioElixia®, re-launch and grow product awareness and convert these into substantial sales."

Ross Murdoch, Chief Executive Officer of Phosphagenics, said, "In 2015 we made the strategic decision to focus on our core TPM® businesses and find a buyer for the BioElixia® branded products range. The intent was to identify a partner that could make BioElixia® a strong and successful global brand. We are very pleased that a company such as Pure Beauty Australia has emerged as the purchaser. The sale was unfortunately delayed by the ProPhase arbitration, but the positive resolution of this arbitration has at last enabled it to be finalised. This is a tremendous endorsement for our TPM® technology and I believe this arrangement will at last allow Phosphagenics shareholders to see BioElixia® reach its potential, whilst also allowing them to share in the brand's future success."

The sale documentation has been finalised. Completion of the transaction is expected to occur next week.

**Ends**

## **Enquiries**

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## **About Phosphagenics**

Phosphagenics Limited is focused on developing and commercialising innovative Human Health, Animal Health and Personal Care products using its proprietary drug delivery system called TPM<sup>®</sup> (Targeted Penetration Matrix). TPM<sup>®</sup> is derived from Vitamin E using a unique, proprietary and patented process and has been proven to enhance the solubility and oral, dermal and transdermal absorption of drugs and nutrients.

Amongst its major projects, Phosphagenics' is developing TPM<sup>®</sup> enhanced patches, gels and injectable products for the human health market and is also developing TPM<sup>®</sup> to enhance the feed efficiency and health of livestock.

Phosphagenics' shares are listed on the Australian Securities Exchange (POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (PPGNY).

## **Inherent Risks of Investment in Biotechnology Companies**

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology.

## **Forward-looking Statements**

Certain statements in this announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services.

[www.phosphagenics.com](http://www.phosphagenics.com)